

**CORPORATE HEADQUARTERS CREDIT**

Attach this form to your return.

Name

Address

## 1. Cost of Establishing or Expanding a Corporate Headquarters.

- |  |          |
|--|----------|
| a. Design Cost   | a. _____ |
| b. Preparation Cost  | b. _____ |
| c. Development Cost  | c. _____ |
| d. Direct Construction Cost  | d. _____ |
| e. Direct Lease Cost - First five years of operation                           | e. _____ |
| f. Qualifying cost of tangible personal property<br>(See General Information.) | f. _____ |

2. Total Cost for the Year (add lines 1 a through f)  
(See "Time for Claiming the Credit" in General Information.)

Total Cost must be \$50,000 or more before a corporation can qualify for the credit.

(See instructions for required addition to jobs and **complete "Staffing Requirements" below.**)

Total Cost x .20 (20%)

2. \_\_\_\_\_

**X** \_\_\_\_\_ **.20**

## 3. Tentative Credit

3. \_\_\_\_\_

## 4. Less Past Due Debts Owed to the State of South Carolina

4. **<** \_\_\_\_\_ **>**

## 5. Allowable Credit (line 3 less line 4)

5. \_\_\_\_\_

## 6. Application of Credit:

- |                          |       |
|--------------------------|-------|
| a. Corporate Income Tax  | _____ |
| b. Corporate License Tax | _____ |
| c. Bank Tax              | _____ |

Total Application 6. \_\_\_\_\_

7. Carryover (line 5 less line 6)  
(See General Information)

7. \_\_\_\_\_

**STAFFING REQUIREMENTS**

Number of headquarters staff jobs created to date \_\_\_\_\_ Number of other qualifying jobs created to date \_\_\_\_\_

Total number of headquarters staff jobs planned \_\_\_\_\_ Total number of other qualifying jobs planned \_\_\_\_\_

## INSTRUCTIONS FOR SOUTH CAROLINA SCHEDULE TC-8

- Line 1** Direct lease costs qualify for the credit during the first five years of operations for the corporate headquarters. See General Information for explanation of qualifying tangible personal property. (The basis of real and personal property for South Carolina income tax purposes must be reduced by the amount of the credit claimed with respect to the property.)
- Line 2** Total cost of establishing or expanding a corporate headquarters must be fifty thousand dollars or more **and** must add at least forty new jobs which are full-time in South Carolina, with at least twenty of the new jobs classified as headquarters staff employees, and the balance of the new jobs classified as either headquarters related jobs or research and development related jobs.
- Line 4** The amount of any Corporate Headquarters credit must be reduced by the amount of any past-due debt owed to the State of South Carolina by the taxpayer.
- Line 6** The Corporate Headquarters Credit is allowed as a credit against corporate income tax, corporate license fee, or bank tax.
- Line 7** The Corporate Headquarters Credit is non-refundable, but any unused credit generally may be carried forward for ten taxable years. See carryover provisions below.

### GENERAL INFORMATION - SCHEDULE TC-8

#### Time for Claiming the Credit and Recapture

Generally the credit may not be claimed until the taxable year during which headquarters establishment, expansion or addition is placed in service for federal income tax purposes. However, for headquarters construction projects placed in service for federal income tax purposes, the corporation can claim the credit for the taxable year in which the qualifying property is placed in service. Credits cannot be claimed for costs incurred more than three years after the taxable year in which the first property for which the credit is claimed is placed in service.

The corporation must have documented plans to meet the staffing requirement at the time the first credit is claimed. If the required addition to jobs is not met by the end of the second taxable year following the last taxable year the credit is claimed, the corporation must increase its tax for that year by the total amount of credits used to reduce tax in earlier years.

#### Carryover and Qualifying Personal Property Provisions

The credit available to a corporation establishing or expanding its corporate headquarters is nonrefundable and ordinarily may be carried forward for 10 years. The credit may be carried forward for 15 years if 75 qualifying new full time jobs are created which have an average cash compensation level of more than one and one-half times the per capita income of South Carolina and result in an average South Carolina employee cash compensation level for all employees in this State of more than twice the per capita income of this State at the end of the tax year in which the jobs are created. A qualifying corporate headquarters establishment or expansion meeting the 75 jobs and per capita income requirements may claim a credit for twenty percent of the cost of tangible personal property if the personal property is:

- (a) capitalized as personal property for income tax purposes under the Internal Revenue Code; and
- (b) purchased for the establishment, expansion, or addition of a corporate headquarters or a research and development facility which is part of the same corporate project as the headquarters establishment addition or expansion; and
- (c) used for corporate headquarters related functions and services or research and development related functions and services in South Carolina.

#### Definitions

For the purpose of this credit, the term:

- (1) "Corporate headquarters" means the facility or portion of a facility where corporate staff employees are physically employed and where the majority of the company's financial, personnel, legal, planning or other headquarters related functions are handled either on a regional or national basis.
- (2) "New job" means a job created by an employer in South Carolina at the time a new facility, expansion or addition is initially staffed, but does not include a job created when an employee is shifted from an existing location in this state to work in a new or expanded facility.
- (3) "Full time" means a job requiring a minimum of thirty-five hours of an employee's time a week for the entire normal year of corporate operations or a job requiring a minimum of thirty-five hours of an employee's time for a week for a year in which the employee was initially hired for or transferred (from another state) to the corporate headquarters or research and development facility in South Carolina.

For more definitions see Section 12-6-3410.